



Governor's Office of  
**Economic Development**  
Centers of Excellence

**Centers of Excellence Solicitation 2009-2010**  
**Frequently Asked Questions**

"The deadline period for matching funds shown in the Solicitation Guidelines (page 10, paragraph 3) was from the previous year and was incorrect. The correct period for valid matching funds is April 1, 2009 to June 30, 2010"

Question 2: (dated 6/8/09)

"We have a convertible note from [a venture fund] and are wondering if we are eligible to apply using the convertible note as matching funds. The note can be converted to equity or be a loan under the terms of our agreement....Please let us know if we are eligible. "

Answer 2:

First, you must make sure that any funds you intend to submit as matching funds were received by the company during the eligible match period.

Second, you may accept the convertible note as investment and it will not hurt your eligibility, but it may NOT count as matching funds.

Specifically from page 6 of the solicitation, "Matching funds may NOT be a loan, but must be either equity or revenue (that is, there can be no repayment clause)."

The clause relative to institutional investors is also very specific - each institutional fund which accepts funds from a Utah college or university must submit detailed information about their fund to the COE Director for review. A determination will be made for each fund about whether those funds are eligible. This process has not yet commenced, and so the Director cannot comment on ANY institutional investor and whether or not they will be eligible as matching funds at this time.

Question 3: (dated 6/8/09)

I am an entrepreneur who has been developing a technology, working together with a university engineering department by sponsoring some research. We are now launching a business that takes this technology to market.

We have not licensed the technology from the University, we paid the University to help us develop it, and now we are commercializing it. Where we are not licensing the technology, but have done all the patent, etc. ourselves, can we still qualify, or is there another economic development mechanism for this?



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ANSWER 3:

The statutory framework for the COE program is very specific - these funds are to help technologies which are developed at the college or university (with funds which are received in a variety of ways), and then are LICENSED to a company. If you have a License for a technology from a Utah college or university you are eligible. If you have done sponsored research, but you own the technology, and do not have a license, then you are not eligible. At this time there are no grant mechanisms for privately developed technologies

QUESTION 4: This proposing team asked for guidance about a specific spending model - essentially they wanted to know if direction the COE funds to a marketing-related campaign that would drive demand for their product would be well received during the review process, or if they should list the funds as going to specific jobs.

ANSWER 4:

It isn't appropriate for the COE Director to offer individualized counsel to one proposing team over another on specific strategies. In addition, because our Centers of Excellence Advisory Council consists of approximately 30+ senior executives in the technology industries associated with Utah, the Director does not know in advance what will sway them.

However, the Council is chartered to put funding to work in teams that can create great jobs in Utah - jobs that pay well and are persistent in the economy. No matter how you propose to spend the money, the task of every proposing Licensee is to convince the Council that a) the team knows what it is doing and knows how to start and grow a company b) that the market is meaningful in size and is receptive to the proposed product/solution and c) that the business will be a good one, that is, it will be profitable enough and demanding enough that the jobs created will require a range of skills and will pay well. Anything that is included in the business plan as driving demand will have to be explained and justified, whether or not COE funds are listed specifically as being directed for the program.

QUESTION 5:

We have a 2008-2009 COE grant and submitted all the documentation. Do you want us to resubmit the same documentation again that would be an exact repeat of last year's materials such as the university TTO letter, university license agreement, notarized letter for permission for you to examine our tax records?

ANSWER 5:

YES, you will need to resubmit all the documentation. This is treated a brand new proposal and not a supplement to last year's. Another reason is that it will be easier for the COE Reviewers to have all your documents in one place when they are reviewing your proposal.



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The university licensing agreement is required when you submit your invoice if you are awarded the grant and the notarized tax letter will also be required if you are awarded the grant because the date on this document starts the year the funds are granted.